



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

512-804-4000 telephone • 512-804-4811 fax • [www.tdi.texas.gov](http://www.tdi.texas.gov)

## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

#### **Requestor Name and Address**

NACOGDOCHES MED CENTER HOSPITAL  
C/O LAW OFFICES OF P MATTHEW ONEIL  
6514 MCNEIL DR BLDG 2 STE 201  
AUSTIN TX 78729-7720

#### **Respondent Name**

SENTRY INSURANCE

#### **Carrier's Austin Representative Box**

Box Number 19

#### **MFDR Tracking Number**

M4-09-6693-01

#### **MFDR Date Received**

March 4, 2009

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "The correct reimbursement for this claim should have been \$10,889.90 based on Chapter 134 of the Hospital Facility Fee Guidelines, which state that outpatient services billed by the provider shall be reimbursed at 200% of the Medicare facility specific reimbursement amount."

**Amount in Dispute:** \$3,770.45

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "After review and repricing additional due of \$2632.49 plus interest of \$86.43 see attached copy of check and EOR PPO contract is applied at 65%."

**Response Submitted by:** Sentry Insurance, PO Box 8032, Stevens Point, Wisconsin, 54481

### **SUMMARY OF FINDINGS**

Date(s) of Service	Disputed Services	Amount In Dispute	Amount Due
May 20, 2008	Outpatient Hospital Services	\$3,770.45	\$0.00

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### **Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, sets out the reimbursement guidelines for facility services provided in an outpatient acute care hospital.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:
  - 16 – Claim/service lacks information which is needed for adjudication. Additional information is supplied using Remittance Advice Remarks Codes whenever appropriate.
  - 150 – Payment adjusted because the payer deems the information submitted does not support this level of service.

- 45 – Charges exceed your contracted/legislated fee arrangement.
- W1 – Workers Compensation State Fee Schedule Adjustment
- 181 – PAYMENT ADJUSTED BECAUSE THIS PROCEDURE CODE WAS INVALID ON THE DATE OF SERVICE.
- 59 – Processed based on multiple or concurrent procedure rules.

### **Issues**

1. Are the disputed services subject to a contractual agreement between the parties to this dispute?
2. Does the submitted medical documentation support the level of service as billed?

### **Findings**

1. The insurance carrier reduced or denied disputed services with reason code 45 – “Charges exceed your contracted/legislated fee arrangement.” Review of the submitted information found insufficient documentation to support that the disputed services were subject to a contractual fee arrangement between the parties to this dispute. Nevertheless, on October 26, 2010, the Division requested additional information from the respondent pursuant to 28 Texas Administrative Code §133.307(e)(1), which states that “The Division may request additional information from either party to review the medical fee issues in dispute. The additional information must be received by the Division no later than 14 days after receipt of this request. If the Division does not receive the requested additional information within 14 days after receipt of the request, then the Division may base its decision on the information available.” The Division requested the respondent to provide a copy of the referenced contract(s) to support that the disputed services were subject to a contractual fee arrangement. The respondent submitted 3 copies of contracts alleged to support that the disputed services were subject to a contractual fee arrangement between the parties to this dispute. No documentation was found to support that the insurance carrier was directly contracted with the health care provider for a contractual fee arrangement. The three submitted contracts are between the health care provider and three different informal/voluntary networks to which the respondent claims entitlement to access the provider’s contracted fee arrangements. The explanations of benefits state that contractual fee reductions were in accordance with the health care provider’s contract with the First Health network. No documentation was found to support that the health care provider was contracted with the First Health network. The First Health contract submitted was for a different hospital with a similar but different name and different physical location from where the services were rendered. The First Health network contract is not supported. The insurance carrier also submitted a copy of a contract amendment to an alleged contract between the Coventry Health Care National Network and the health care provider. No copy of the alleged contract referenced by the amendment was found in the submitted materials. The amendment was signed in 2009 with an effective date of 2009 — the disputed services were rendered in 2008. The Division finds that the Coventry amendment is not applicable to the services in dispute. Lastly, the respondent provided a copy of a contract signed in 1995 between the health care provider and Affordable Health Care Concepts. No documentation was found to support that the 1995 contract was still in effect on the date of service. The submitted explanations of benefits do not reference the Affordable network. No documentation was found to support that the injured employee was a “participant “ under the terms of the Affordable network on the date the services were rendered. No documentation was found to support that the insurance carrier, Sentry Insurance, was a contracted payor under the terms of the Affordable contract on the date the disputed services were rendered. No documentation was found to support any relationship between Sentry Insurance and the Affordable network. No documentation was found to support that Sentry Insurance had been granted access to any contractual fee arrangement between the health care provider and any alleged network on the date the services were rendered. Based on the submitted information, the insurance carrier has failed to demonstrate that the disputed services are subject to a contractual fee arrangement between the parties to this dispute. The insurance carrier’s payment reduction reason is not supported. The disputed services will therefore be reviewed per applicable Division rules and fee guidelines.
2. The insurance carrier reduced or denied disputed services with reason code 150 – “Payment adjusted because the payer deems the information submitted does not support this level of service.” Former 28 Texas Administrative Code §133.307(c)(2)(E), effective May 25, 2008, 33 *Texas Register* 3954, applicable to requests filed on or after May 25, 2008, requires that the request shall include “a copy of all applicable medical records specific to the dates of service in dispute.” Review of the submitted documentation finds that the requestor has not provided copies of any medical records to support the services in dispute. The Division concludes that the requestor has not met the requirements of §133.307(c)(2)(E). No medical records are available for review; the disputed services are not supported. The insurance carrier has supported the payment denial reason that the information submitted does not support the level of service. The requestor has failed to support the services as billed. No additional reimbursement can be recommended.

### **Conclusion**

The Division has jurisdiction to consider the medical fee issues in this dispute; however the requestor failed to support that additional reimbursement is due. As a result, the amount ordered is \$0.00.

### ***ORDER***

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$0.00, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this order.

### **Authorized Signature**

_____ Signature	<u>Grayson Richardson</u> Medical Fee Dispute Resolution Officer	<u>December 20, 2013</u> Date
Date		

### ***YOUR RIGHT TO APPEAL***

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**